# The Confederation of Yemen Development Associations and the Co-operative Movement in the Yemen Arab Republic

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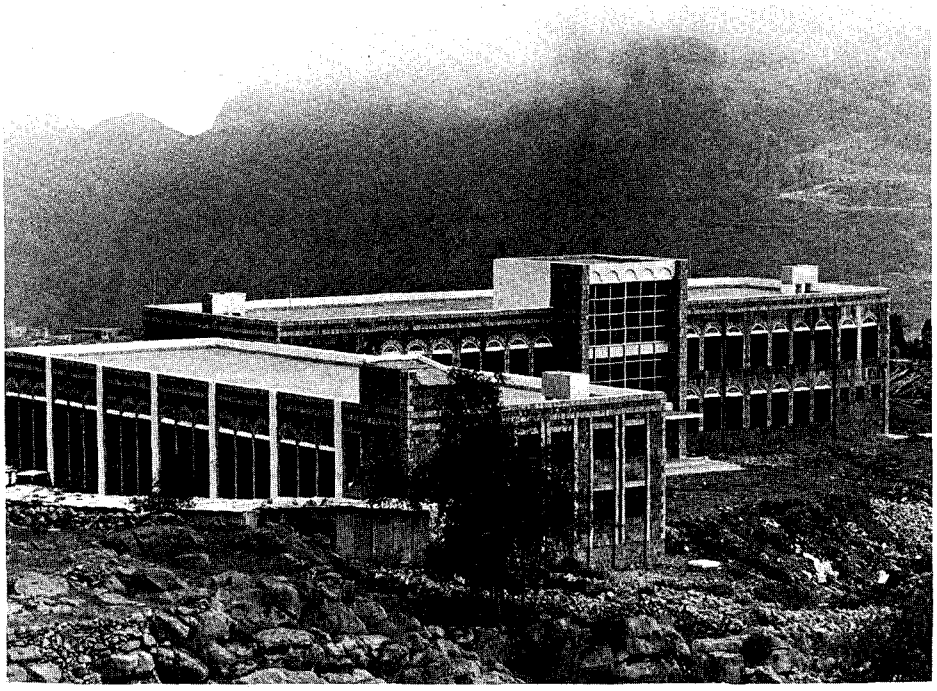
The Confederation of Yemen Development Associations (CYDA), is one of the most important branches of government in the Yemen Arab Republic today. The President of the Republic, Mr 'Ali 'Abd Alla Salih, is himself the President of CYDA. The Administrative Board of CYDA consists of representatives of the "service" Ministries of Education, Culture, Agriculture, Public Works, Finance, Social Affairs, Communications and Municipalities, as well as including among its members representatives of the Central Planning Organisation and the Yemen General Electricity Corporation. Representatives of the people elected by national elections are both members of the Administrative Board and chairmen of the major administrative committees of the CYDA. The governor of every province in the Republic participates in the operation of CYDA in his capacity as President of the Governorate Co-ordinating Council. The officers and members of the Co-ordinating Councils are selected from among the officers of officially-constituted co-operative unions organised on the district level, known as Local Development Associations (LDAs). The officers and members of the LDAs are elected from among the adult male residents of each locality. Thus, the operation on the Confederation of Yemen Development Associations involves the active participation of the entire spectrum of Yemeni society, uniting both the President and the rural citizen in the same co-operative effort to implement development projects in all areas of the country at the fastest possible pace.

## The Activities of CYDA

CYDA co-ordinates its activities at the national level with those of the service ministries and the Central Planning Organisation (CPO). The Committee on Foreign Relations, working in conjunction with the CPO, channels the assistance offered by foreign aid projects from other countries, as well as projects implemented through foreign donor organisations operating in Yemen, to the co-operative organisations under its auspices, and thus, directly to the development projects operating throughout the country.

Internally, CYDA co-ordinates the activities of two different types of co-operative organisations: the Local Development Associations, and the newly-organised Specialised Co-operatives. Each co-operative elects its own President, Finance Officer and General Secretary. These officers prepare all necessary official documents which are required to implement and finance development projects through the CYDA bureaucracy. Each co-operative prepares a three-year plan outlining its proposed activities, and presents an annual report on expenditures and activities. These documents, as well as all project-specific documents such as technical studies, designs and budgets are presented to the Governorate Co-ordinating Council, which in turn transfers them to CYDA for final approval. The actual development projects selected for implementation in any given year follow guidelines outlined at the national level, as well as the regional priorities defined by the Governorate Council. Thus, the CYDA bureaucracy is able to direct and oversee the work of the co-operatives operating at the local level.

The central CYDA bureaucracy also periodically organises General Conferences in which all its associated co-operatives participate. At these General Conferences the accomplishments and shortfalls of the development movement are discussed. Important decisions are made regarding the organisation of the admini-



*Hajjah. A newly constructed cultural centre.*

*Photo: C. Little/Aga Khan Awards.*

stration, the financing scheme, the diversification of development activities among the various types of co-operatives, and any other issues relevant to the work of the co-operative movement. There have been five General Conferences to date.

The CYDA central bureaucracy also oversees, in co-ordination with the Ministry of Social Affairs, all elections which are required to select representatives at the local, the district, the provincial and the national levels. These elections are held every three years.

CYDA is divided into Administrative Committees with discrete spheres of activity which also work together to oversee the work of the co-operatives and strive to guarantee that the monies expended do in fact result in tangible benefits, at a reasonable cost, to the citizens. The Committee on Planning reviews the three-year plans of each co-operative and provides technical assistance in project design and cost studies. The Planning Department prepares statistical summaries of information regarding the co-operative movement. The Committee on Culture and Information publishes, in its own and other magazines, pamphlets and articles, information regarding the co-operative movement in general, and the work of the co-operatives related to CYDA in particular. A newly-established Committee on Training aims to provide training courses at all levels, in Yemen and abroad, to benefit people working in all activities related to the co-operative movement. The Public Services Department of CYDA provides low-cost drilling, geological and hydrogeological services to the co-operatives. Working with its own equipment, the Public Services Department is hoping to standardise project designs and equipment used in implementing projects in order to reduce the cost and improve the quality of its service to the citizens.

The central administration of CYDA also undertakes many other activities aimed at the promotion of the co-operative movement from time to time. Through co-ordination between the Administrative Board and the Legal Advisor of CYDA and the Presidential Office, Republican Decisions and Laws are issued which create, modify and invigorate institutions which serve development and the co-operative movement. For example, the Co-operative Development Bank and the Agricultural Credit Bank, each independently established but later merged by Republican Decisions, offer loans to individuals and co-operatives to finance development schemes.

In addition to the foregoing, CYDA

- organises an annual tree-planting campaign;
- organises international conferences dealing with different aspects of development within Yemen, and also sends representatives from Yemen to participate in conferences abroad;
- undertook the compilation of a national census in December 1981;
- financed the establishment of a modern pottery factory in Sana'a;
- assumed an active role in assisting the earthquake relief effort, which began immediately after the occurrence on 13 December 1982 and continues to the present to assist and direct the myriad of programmes related to the rebuilding effort.

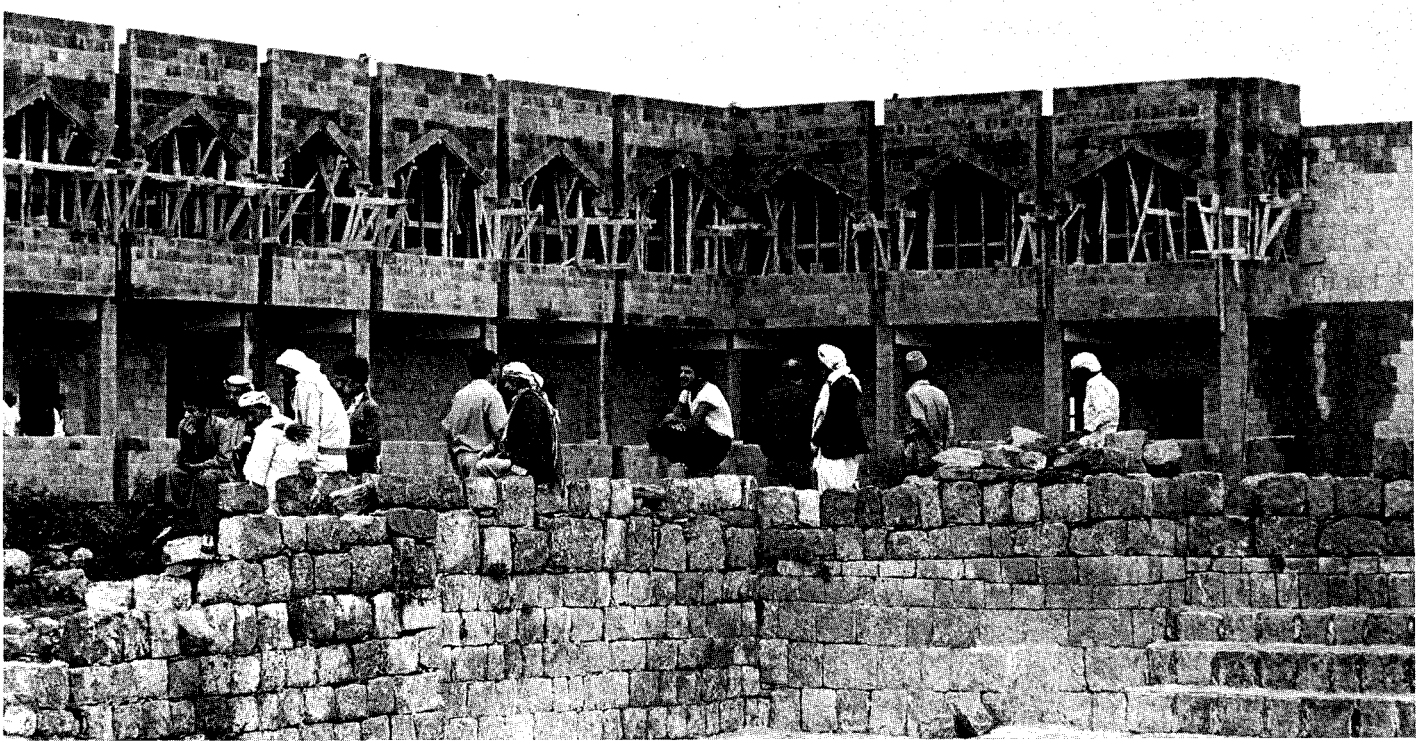
**Evolution of CYDA**

The confederation of Yemen Development Associations has evolved from, and in accordance with, a number of Republican Decisions, Statutes and Laws issued between the early 1960s and the present. Law No. 26 of 1963 specified how co-operative societies were to be legally constituted, incorporated the co-operatives which were already operating in the country, and laid the legal foundation for the expansion of the co-operative movement which took place over the course of the next decade. Law No. 35 of 1975 clarified the legal and administrative framework within which these co-operatives would work. This law responded to the recommendations expressed by representatives of the co-operatives who attended the First General Conference which was convened in Ta'izz in 1973 as well as the Recommendations and Decisions taken by the Second General Conference of 1974. At the Third General Conference in 1975 a series of documents prepared by CYDA (which further organised, co-ordinated and directed the work of the co-operative societies) was approved. It was at this time that the Governorate Co-ordinating Councils were established, the role of CYDA itself was defined, and the operational and financial systems governing the co-operatives were determined.

The Fourth General Conference was convened in Sana'a in 1979. It was at this conference that the establishment of the Co-operative Bank was approved. Laws further defining the role of CYDA, establishing the Co-operative Bank as well as Agricultural and Trade Co-operatives were approved. The Fourth General Conference also recommended the establishment of Fishing Co-operatives to develop this natural resource.

The Fifth General Conference was held in December, 1981. The Conference recommended the advancement of Agricultural, Trade, Fishery and Consumers' Co-operatives; and suggested that customs revenues might be used to purchase operating equipment for them. The Conference also called for the modernisation of trades and crafts. Considerable attention was devoted to the Specialised Co-operatives at the Fifth General Conference, which demonstrates their increasing importance in the work of development.

It may be seen that CYDA is a continually evolving institution which responds to the recommendations of its constituents and is shaped by Laws and Decisions passed by the government. The co-operative movement has undertaken many ventures, and been directed by many different administrative procedures over the course of the last twenty years.



*Hajjah. A religious institute under construction.*

*Photo: C. Little/Aga Khan Awards.*

Whereas not all of the policies and procedures thus adopted have been successful, the institution has proven flexible enough to change and modify itself according to the needs of the citizens and the changing conditions of society. Within the last few years the national headquarters of CYDA has been constructed in Sana'a, and governorate as well as some district-level meeting halls have been constructed all over the country. The experience gained over the last two decades has informed the evolution of present structures and policies. The activities of CYDA are expanding, and the institution has evolved to keep pace with the ever-higher level of activity. As the administrative systems become further and more clearly defined, CYDA looks forward to a stage of better-planned and co-ordinated activity in the future.

The CYDA has played a major role in initiating, co-ordinating and directing the activities of the co-operative movement in the Yemen Arab Republic over the last two decades. CYDA's performance in combining local initiative, regional co-operation and national planning has guaranteed the continuity of the organisation as a viable institution of government. As an embodiment of the Republican government's commitment to development as a means of raising the standard of living of citizens in all parts of Yemen, CYDA's activities and achievements have promoted the legitimacy of that government, and provided an occasion for the development of democratic institutions throughout the country.

**The Work of the Co-operatives**

The Local Development Associations are legally-constituted popular councils organised at the district level. Each LDA receives an annual budget from CYDA to cover operating expenses and to finance the development projects which it undertakes. The national financing scheme provides that 75 per cent of the annual tax revenues collected in the district be placed in the budget of the LDA. In addition to this, a small percentage of the total central government's annual budget is divided among the co-operatives to increase their revenues. Thus, the establishment of an LDA in a given district insures the return of lost money paid by its residents in *zakat*, as well as providing an opportunity for its citizens to obtain extra funds from the national budget or

from foreign assistance programmes. This system encourages the active and productive co-operation of citizens in all parts of the country with the Republican government, and provides the government with a means of assisting the citizens in the work of development which is among the highest national priorities.

The work of the LDAs is devoted to the implementation of basic infra-structure projects of four major kinds: roads, water-supply systems, health facilities and schools. Over the course of the last two decades, various financing schemes and many different kinds of projects have characterised the work of the LDAs. The experience acquired during this period has led to the present focus on infra-structure, according to the financing scheme outlined above. It has been seen that the operating budgets of the LDAs are not sufficient to cover the cost of providing all basic services to all citizens immediately. Whereas it had been anticipated that subsidiary revenues could be provided by dividing the cost in equal thirds among the local residents, the LDA and the relevant government agency (e.g., the Ministry of Health or the Ministry of Education), long bureaucratic delays and frequent defaulting on the part of the relevant government agency has led to the abandonment of this cost-sharing scheme.

*Specialised Co-operatives*: Beginning from the time of the Fourth General Conference in 1979, CYDA has promoted the establishment of co-operatives devoted to specialised fields of endeavour such as agriculture, fishery, handicrafts, etc. Consumers' unions and housing co-operatives are also being created under the rubric of Specialised Co-operatives, and the structure is broad enough to permit the establishment of any type of co-operatives which could benefit the country. Between 1979 and the present more than fifty Specialised Co-operatives have been established, and although they are administered by a separate committee of CYDA, these co-operatives are subject to the same organisational structure and follow the same procedures as the LDAs. One major difference between the LDAs and the Specialised Co-operatives is that the latter, up to the present time, have not been provided with budgets emanating from tax revenues or other central government resources. The financing of all activities undertaken by the Specialised Co-operatives to date has been achieved through contributions of the members of each individual co-operative. The official establishment and registration of each new Specialised Co-operative provides the means whereby CYDA can furnish administrative and technical assistance, training and any financing available from private or foreign donors.

The activities of the Specialised Co-operatives are devoted to increasing production, modernising traditional crafts, developing new industries and establishing marketing systems to distribute locally-produced goods. Through these co-operatives it is envisioned that income-generating projects may be undertaken which can provide additional sources of revenue for development works. The establishment of Specialised Co-operatives marks a new stage in the evolution of CYDA, representing an expansion of activities beyond the original concentration on infra-structure projects and basic services.

## Achievements of the Co-operative Movement

The implementation, through CYDA, of thousands of development projects in all parts of the Yemen Arab Republic has changed the shape and structure of society. The provision of basic services such as roads, water-supply systems, health facilities, schools and other services has made a tangible improvement in the quality of life of citizens even in the most remote reaches of the Republic. The new roads, built or improved through planned LDA activities, permit access for the rural population to the goods and services of the modern world which have dramatically transformed their daily lives. The new and the improved water supply systems are promoting a higher standard of health and hygiene, as well as providing a modicum of leisure. Modern health facilities are reducing the impact of disease and injury, while preventive programmes operating through the expanded medical establishment aim to control and eliminate many medical problems in the future. The newly-constructed schools are preparing a new generation of citizens to run a modern society. The provision of basic services has helped to encourage thousands of Yemenis to remain in the rural areas and to continue to develop the agricultural work which has been the pride of the nation throughout the centuries.

The experience of working through the co-operative movement to provide basic services has led to the establishment of a nation-wide institutional structure which is capable of co-ordinating the requirements and designs of local, district, provincial and national authorities. That same institutional structure can now be employed to expand the range of co-operative activities. As the agricultural, trade and consumer co-operatives evolve, a greater emphasis is likely to be placed on improving production and the marketing of locally-produced goods. CYDA has been successful in establishing the foundation for co-operative development work in Yemen. One may hope that this work will continue to evolve and expand, in order to improve the standard of living and the quality of life of people in every quarter of the nation.